

DHRM BULLETIN

Effective Date: August 15, 1997

Reference: UCA 67-19-15
UCA 67-19-15.1

SUBJECT: Modification of Incentives for Conversion
from Schedule B to Schedule AD or AR

Page 1 of 2

As agency executive directors and commissioners choose to reorganize, positions meeting the criteria for career service exemption will be designated as Schedule AD or AR. If these positions have an incumbent, the agency shall provide the employee the attached *Conversion to Career Service Exemption Agreement Form* and memorandum. The employee shall be allowed sixty (60) days to complete and return the form.

All signed *Conversion To Career Service Exemption Forms* are to be forwarded to DHRM. Since DHRM rules can change annually, agencies must ensure that they are using the current form. In order to be valid, the form must be consistent with the current rule at the time it is signed.

If the employee elects the career service exemption, they shall be entitled to the following benefits:

- 1- Current career service employees in positions meeting the criteria for exemptions to Schedule AD or AR, electing to convert to career service exempt within sixty (60) days of receipt of this memorandum shall receive, at the option of the agency executive director, a base salary increase of 1 step to 3 steps on their current salary range. Employees who are at the maximum of their current salary range or on longevity may receive a one time bonus of 2.75%, 5.5%, or 8.25% to be determined by the agency executive director. Employees electing to convert after the sixty (60) day period will not be eligible for the salary increase.
- 2- All career service exempt employees designated as Schedule AD or AR will be provided state paid term life insurance coverage approximating three (3) times their annual salary if determined eligible by the Group Insurance Office. Employees whose annual salary is

less than \$50,000 shall receive \$125,000 of term life insurance. Those making \$50,000 to \$60,000 shall receive \$150,000 of term life insurance; and, those making over \$60,000 shall receive \$200,000 of term life insurance.

- 3- All career service exempt employees designated as schedule AD or AR shall receive the severance benefit as described in R477-7-9.

Employees electing not to convert to career service exemption shall retain career service even though their position shall be designated as Schedule AD or AR. When the employees vacate these positions, subsequent appointments shall be career service exempt.

Executive directors and commissioners could reorganize to the extent that a current career service exempt position no longer meets the criteria for exemption. In this case, the employee shall be designated as career service if they had previously earned career service. They are no longer eligible for the severance benefit or the life insurance at three (3) times their annual salary. In this situation, the agency and employee need to make arrangements through the Group Insurance Office to discontinue the coverage, or have the employee pay the premiums.

Career service exempt employees without prior career service status will remain as exempt. When the employee leaves the position, subsequent appointments would be done consistent with applicable Human Resource Management Rules.

Exempt employees on schedule AB, AD, and AR who are involuntarily terminated from state service shall receive a severance benefit equal to one week of pay for each year of consecutive exempt service accrued after January 1, 1993. Exempt employees on schedule AB., AD, and AR who voluntarily accept reassignment to a position with a lower salary range, without a break in service, shall receive a severance benefit equal to the difference between their current hourly rate of pay and their new hourly rate multiplied by the number of accrued annual leave, converted sick leave and excess hours. A severance benefit shall not be paid to employees whose statutory term has expired without reappointment; who are retiring from state service or are voluntarily separating from the executive branch; who are eligible for retirement; or who are discharged for cause.

RMC:csm

Attachment(s) - 2 - Conversion to Career Service Exemption Agreement Form
- "Voluntary Conversion to Career Service Exemption" Memorandum

APPROVAL: _____

DATE: _____

MEMORANDUM

TO:

FROM:

DATE:

SUBJECT: Voluntary Conversion to Career Service Exemption

Your current position has been determined to meet the criteria for career service exemption Schedule AD or Schedule AR. These are defined in UCA 67-19-15.(1) as follows: Schedule AD is defined in paragraph (d) as employees who are in a confidential relationship to a department head or commissioner and who report directly to, and are supervised by, a department head, commissioner, or deputy director of a department or its equivalent; Schedule AR is defined in paragraph (r) as employees who make statewide policy. The effective date for this action is ____, 199___. Attached is an agreement for you to sign detailing your options, election, and signature.

It is important for you to understand that the decision to become exempt from career service is entirely yours to make. Please be aware that if you elect to choose the exemption, you will work at the will and pleasure of the employing agency. You can be released from your appointment at any time without explanation and just cause. Further, your access to the State's grievance procedure will cease. Please be aware that for actions believed to be of a discriminatory nature, your rights are protected consistent with the provisions outlined in Chapter 2 of the Human Resource Management Rules.

However, UCA 67-19-17 mandates that any career service employee accepting an appointment to an exempt position, who is not retained by the appointing officer, unless discharged for cause, shall:

1. Be appointed to any career service position for which the employee qualifies in a pay grade (salary range) comparable to the employee's last position in the career service provided an opening exists; or
2. Be appointed to any lesser career service position for which the employee qualifies pending the opening of a position described in No. 1 above. The Department of Human Resource Management is mandated to maintain a reappointment register for this purpose and it shall have precedence over other registers.

Voluntary Conversion to Career Service Exemption
(Date)

Your name shall stay on this register until you are placed into a career service position or you request your name be removed from the reappointment register. DHRM will send you a written yearly inquiry to determine your status and decision to remain or not remain on the register.

Please be aware that even though your position meets the criteria to be exempt, you will not be forced to lose your merit status. You have 60 days from the date you receive this memorandum to make the election to convert to career service exempt status. In making your decision, please consider the following:

- 1- Exempt employees on schedule AB, AD, and AR who are involuntarily terminated from state service shall receive a severance benefit equal to one week of pay for each year of consecutive exempt service accrued after January 1, 1993.
- 2- Exempt employees on schedule AB, AD, and AR who voluntarily accept reassignment to a position with a lower salary range, without a break in service, shall receive a severance benefit equal to the difference between their current hourly rate of pay and their new hourly rate multiplied by the number of accrued annual leave, converted sick leave and excess hours.
- 3- A severance benefit shall not be paid to employees whose statutory term has expired without reappointment; who are retiring from state service or are voluntarily separating from the executive branch; who are eligible for retirement; or who are discharged for cause.
- 4- If you are involuntarily reassigned, with no break in service, to another position and with no loss of salary, you are not entitled to the severance benefit. If the merit position you are appointed to has a pay range less than your last merit position, you will be placed on the reappointment register. Your career service status shall be reinstated.
- 5- All career service exempt employees designated as Schedule AD or AR will be provided the opportunity to apply for the State of Utah Exempt Employees Term Life Program. Eligibility for this program is determined by the Public Employees Health Program (PEHP). This program provides state paid term life insurance coverage approximating three (3) times their annual salary. Eligible employees, whose annual salary is less than \$50,000, shall receive \$125,000 of term life insurance. Those eligible employees making \$50,000 to \$60,000 shall receive \$150,000 of term life insurance; and, those eligible employees making over \$60,000 shall receive \$200,000 of term life insurance.

- 6- Current career service employees in positions meeting the criteria for exemptions to Schedule AD or AR, electing to convert to career service exempt within sixty (60) days of receipt of this memorandum shall receive, at the option of the agency executive director, a base salary increase of 1 step to 3 steps on their current salary range. If you are at the maximum of your current salary range or on longevity, you may receive a one time bonus of 2.75%, 5.5%, or 8.25% to be determined by the agency executive director.
- 7- Employees electing to convert to career service exempt after the sixty (60) day period, will not be eligible for the salary increase, but will receive the severance benefit as explained above and may apply for the insurance coverage through the Group Insurance Office. Employees applying for the additional insurance shall be required to provide proof of insurability.

Please consider the above in making your election on the attached form. Please complete the attached form and provide to me on or before _____.

If you have any questions, please contact _____, (Agency) Human Resource Director.

:csm

cc:

Attachment

REV: 7-1-97
pecsm/forms.....volconv.dft

CONVERSION TO CAREER SERVICE
EXEMPTION AGREEMENT FORM

Employee Name: _____

Department/Division: _____

Position Title: _____ Low Org No.: _____ PCN: _____

I understand my current position meets the requirements to be exempt from the career service (merit) provisions as articulated in the UCA 67-19-15.1. Further, even though my current position meets the criteria for career service exemption, I have the option to voluntarily convert to career service exempt (Schedule AD or AR) or remain as a career service employee without any pressure from my department's administration.

In view of the foregoing,

CHECK ONE:

_____ I voluntarily elect to convert from career service (merit) to career service exempt (Schedule AD or AR) and am entitled to receive the incentives offered to AD or AR career service exempt employees as explained in the memorandum titled "Voluntary Conversion to Career Service Exemption".

If I make this election within the sixty (60) day window, I will receive a salary increase or bonus and insurance benefit as described in R477-7-9.

I understand that if I make this election to convert to career service exempt after the sixty (60) day window, I will not receive the salary increase or bonus.

I understand that in making the election to be career service exempt, I am, by law, exempted from all rights of a career service employee. From the date of this signing, I work at the will and pleasure of my employing agency and can be released without just cause.

_____ I voluntarily elect to retain my career service (merit) status, and shall not be entitled to any of the incentives offered to AD or AR career service exempt employees.